

Production

Obotan Mine

The Obotan gold mine is located in Ghana, West Africa, 215km north-west of the capital Accra, and 40km north-west of the Ashanti gold mine at Obuasi. The project is owned 90% by Resolute Limited, through its subsidiary Resolute Amanse Limited and 10% by the government of Ghana.

The project was successfully commissioned in May 1997, after an eight month construction period, at a capital cost of US\$32million, ahead of schedule and under budget. The initial production rate was anticipated to be 120,000 ounces of gold from 1.4 million tonnes per annum of ore.

Production

During 1999, Obotan produced a total of 167,935 ounces of gold from 2.3 million tonnes of ore at a head grade of 2.41g/t and at a cash cost of US\$184 per ounce.

In the second half of the 1999 financial year, mining in the Nkran pit progressed from the soft oxide ore zones to harder transitional ore. Despite the increasing hardness of the ore, the treatment plant continued to perform well and throughput rates still exceeded the original design capacity. As planned, a minor mill upgrade was completed during the year, with the addition of a Knelson concentrator, an expansion of the gold room capacity and improved security measures.

The improvements to the treatment plant, and the blending of the harder Nkran ore with softer oxide ore from satellite deposits such as Adubaso (approximate ratio of four to one), are expected to ensure an on-going annual production rate of approximately 150,000 ounces of gold.

Mining of the Nkran pit has moved into the fresh rock profile of the ore body. The clearer view of the structures afforded by the fresh rock, together with the on-going results of the ore reserve reconciliation, has facilitated a review of the interpretation and geological model.

Exploration and Development

Exploration and development activities in the forthcoming financial year will be focussed on the evaluation of the additional tenure acquired during the 1999 financial year. The ground to the south, recently acquired from Ashanti Goldfields Company Limited, contains the south-south-west extension of the main Nkran fault corridor. This corridor contains several areas of artisanal hard rock and alluvial workings, along which an initial inferred resource of approximately 50,000 ounces of gold has been defined. In addition to this resource, two large geochemical anomalies, in a similar setting to the Nkran deposit, are planned for testing during the year.

Obotan produced 167,935 ounces

of gold from 2.3 million tonnes

of ore at a head grade of

2.41g/t and at a cash cost of